

THE HON'BLE DR.JUSTICE SHAMEEM AKTHER

M.A.C.M.No.3430 OF 2005

JUDGMENT:

This appeal, under Section 173 of the Motor Vehicles Act, 1988, is filed by the appellant/the New India Assurance Company Limited, aggrieved by the grant of compensation of Rs.1,30,000/- along with proportionate costs and interest at the rate of 12% per annum from the date of the petition till the date of realisation, as against a claim of Rs.1,50,000/-, to respondent No.1/claimant, by the learned Chairman, Motor Accident Claims Tribunal – cum – District Judge at Khammam (for short, “the Tribunal”) *vide* order, dated 20.06.1997, passed in O.P.No.304 of 1996.

2. Heard the submissions of the learned Standing Counsel appearing for the New India Assurance Company Limited representing the appellant and the learned counsel for respondent No.1/claimant, and perused the material on record.

3. Learned Standing Counsel for the New India Assurance Company Limited representing the appellant would contend that the Tribunal granted excess compensation of Rs.1,30,000/-; that the Tribunal also granted excess rate of interest i.e., at the rate of 12% per annum and ultimately, prayed to reduce the same.

4. On the other hand, learned counsel for respondent No.1/claimant would submit that the compensation awarded by the Tribunal is just and reasonable; that there are no grounds to interfere with the impugned order and hence, prays to dismiss the appeal.

5. In view of the submissions made by the learned counsel on both sides, the point that arises for determination is:

“Whether the compensation of Rs.1,30,000/- along with interest at the rate of 12% per annum from the date of the petition till the date of realisation awarded in favour of respondent No.1/claimant is excessive and the same is liable to be reduced?”

6. **POINT:-** As per the records produced before the Court, the claim petition was filed by respondent No.1/claimant for grant of compensation of Rs.1,50,000/- for the damages of the tractor and trailer bearing No.AP.27-T-2365 and 2366 caused in a motor accident that occurred on 06.04.1996 due to the rash and negligent driving of the driver of lorry bearing No.WB-23/4134. There is record to show that the tractor and trailer bearing No.AP.27-T-2365 and 2366 belonging to the claimant was damaged. The evidence of P.Ws.1 to 3 coupled with Exs.A-1 to A-7 clinchingly establish the claim of the claimant. The Tribunal also, taking into account the evidence of P.Ws.1 to 3 and the documents – Exs.A-1 to A-7, awarded the compensation of Rs.1,30,000/- with interest and the same is just and reasonable. Hence, there are no grounds to interfere with the compensation awarded by the Tribunal. There is no infirmity in the said order. Hence, with regard to quantum of compensation, the impugned order does not warrant interference of this Court.

7. As regards the rate of interest, it is apt to refer to the decision of the Apex Court in **Dharampal Vs. State Road Transport Corporation**¹ wherein the Apex Court awarded interest

¹ MANU SC 7680 2008

at the rate of 7.5% per annum on the amount awarded as compensation. In the instant case, the Tribunal granted interest at the rate of 12% per annum, which is excessive.

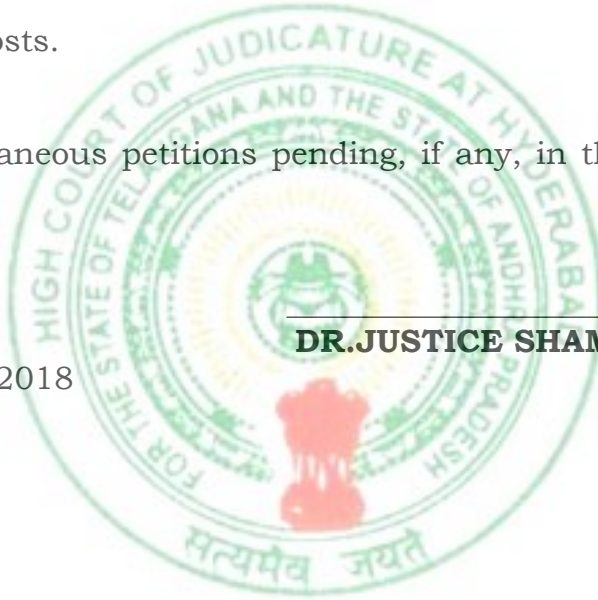
8. Accordingly, the quantum of compensation of Rs.1,30,000/-, which was awarded by the Tribunal in favour of respondent No.1/claimant is confirmed, but the rate of interest awarded thereon is reduced from 12% per annum to 7.5% per annum. The other terms of the impugned order remain unaltered.

9. In the result, the appeal is partly allowed. There shall be no order as to costs.

10. Miscellaneous petitions pending, if any, in this appeal shall stand closed.

Date : 14.08.2018
AMD

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